



EAST KENTUCKY POWER COOPERATIVE

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PUBLIC SERVICE
COMMISSION

July 30, 2003

HAND DELIVERED

Mr. Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: PSC Case No. 2003-00051

Dear Mr. Dorman:

Please find enclosed for filing with the Commission an original and ten copies of the responses of East Kentucky Power Cooperative, Inc. ("EKPC") to the Supplemental Information Requests in this case of the Commission Staff, the Attorney General, and the Kentucky Division of Energy, dated July 9, 2003.

Very truly yours,

Charles A. Lile
Senior Corporate Counsel

Enclosures

Cc: Parties of Record

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2003-00051

IRP INFORMATION REQUEST RESPONSE

COMMISSION STAFF'S REQUEST DATED 7/9/03

In response to the following Public Service Commission's supplemental request for information, East Kentucky Power Cooperative, Inc. ("EKPC") submits responses to the questions contained therein. Each response with its associated supportive reference materials is individually tabbed. Larger reference documents are submitted separately and labeled as an enclosure to a specific question.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE 2003 INTEGRATED RESOURCE)	
PLAN OF EAST KENTUCKY POWER)	CASE NO. 2003-00051
COOPERATIVE, INC.)	

SUPPLEMENTAL DATA REQUEST OF COMMISSION STAFF
TO EAST KENTUCKY POWER COOPERATIVE, INC.

East Kentucky Power Cooperative, Inc. ("East Kentucky"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due July 30, 2003. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to the response to Item 3 of Commission Staff's ("Staff") initial data request, which shows that average residential usage by customers on East Kentucky's system increased by approximately 1.7 percent annually from 1982 to 2002.

a. Provide a description of the major factors that caused this increase in average residential usage. Discuss how this rate of increase compares to that of residential customers of other electric cooperative systems over the same time period.

b. Explain whether East Kentucky expects average residential usage to increase at a comparable rate for the foreseeable future.

2. Refer to the response to Item 8 of Staff's initial data request, which refers to East Kentucky's evaluations of reactivating the Spurlock Unit 2 scrubber, which are performed toward the end of or during the renewal period of its compliance sulfur fuel contracts.

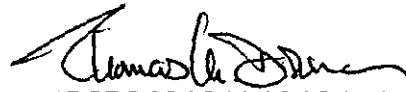
a. The most recent evaluation was performed in 2002. When does East Kentucky anticipate performing the next evaluation?

b. Provide the ending dates of East Kentucky's existing compliance sulfur fuel contracts. Explain whether East Kentucky expects to enter into a new series of such contracts prior to its next evaluation of reactivating the scrubber.

3. Refer to the response to Item 9 of the Staff's initial data request, which discusses the status of activity under RFP2002-02 (issued in December 2002 for peaking power) and which refers to a report being developed for the related certificate filing. When does East Kentucky anticipate making the related certificate filing?

4. In East Kentucky's Integrated Resource Plan, Section 4.0, page 43, reference is made to construction of the E. A. Gilbert Unit 3 at Spurlock Station ("Gilbert Unit") to be operational by the summer of 2005. East Kentucky's application for a certificate to construct the Gilbert Unit included the construction of transmission facilities

which were ultimately withdrawn. In granting the certificate in Case No. 2001-00053,¹ the Commission directed East Kentucky to file a new application for approval of the proposed transmission facilities. Provide a detailed explanation of the status of East Kentucky's analysis of the needed transmission facilities and a timetable for filing an application for approval of the proposed transmission facilities.



Thomas M. Dorman
Executive Director
Public Service Commission
Post Office Box 615
Frankfort, KY 40602-0615

DATED: July 9, 2003

cc: All parties

¹ Case No. 2001-00053, Application of East Kentucky Power Cooperative, Inc. For a Certificate of Public Convenience and Necessity, and a Certificate of Environmental Compatibility, For the Construction of a 250 MW Coal-Fired Generating Unit (With a Circulating Fluid Bed Boiler) at the Hugh L. Spurlock Power Station and Related Transmission Facilities, Located in Mason County, Kentucky, to be Constructed Only in the Event That the Kentucky Pioneer Energy Power Purchase Agreement is Terminated.

EAST KENTUCKY POWER COOPERATIVE, INC.

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COMMISSION STAFF'S REQUEST DATED 7/9/03

REQUEST 1

RESPONSIBLE PARTY: James C. Lamb

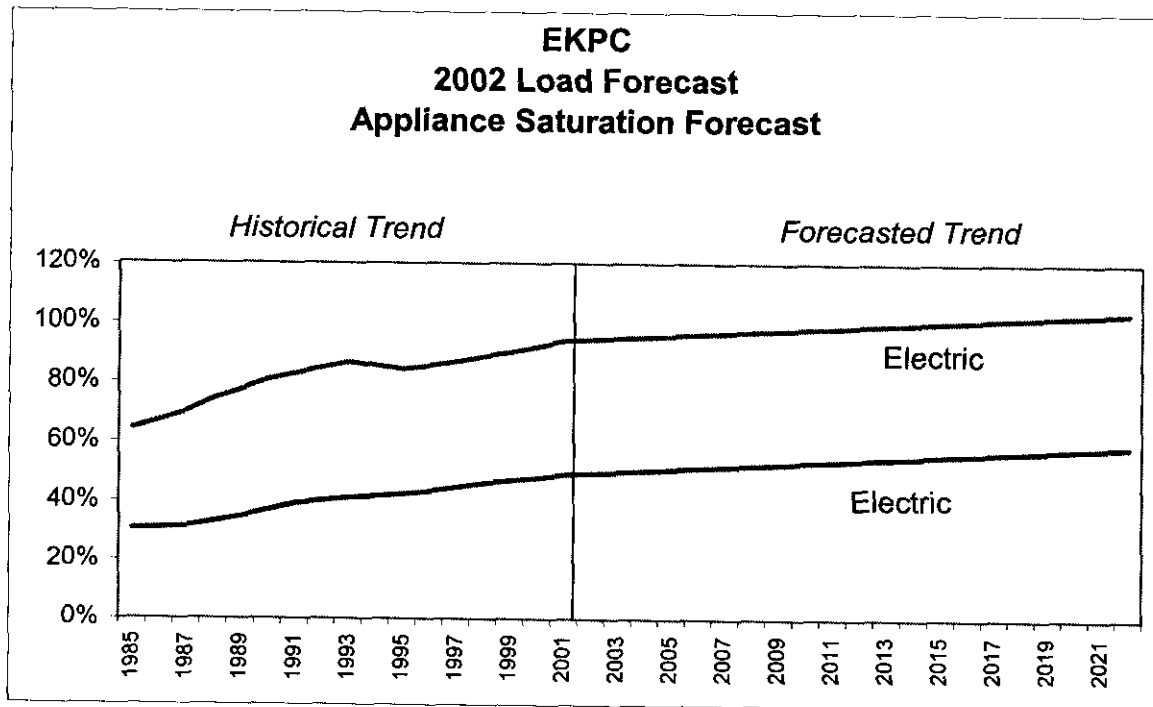
REQUEST 1. Refer to the response to Item 3 of Commission Staff's ("Staff") initial data request, which shows that average residential usage by customers on East Kentucky's system increased by approximately 1.7 percent annually from 1982 to 2002.

REQUEST 1a. Provide a description of the major factors that caused this increase in average residential usage. Discuss how this rate of increase compares to that of residential customers of other electric cooperative systems over the same time period.

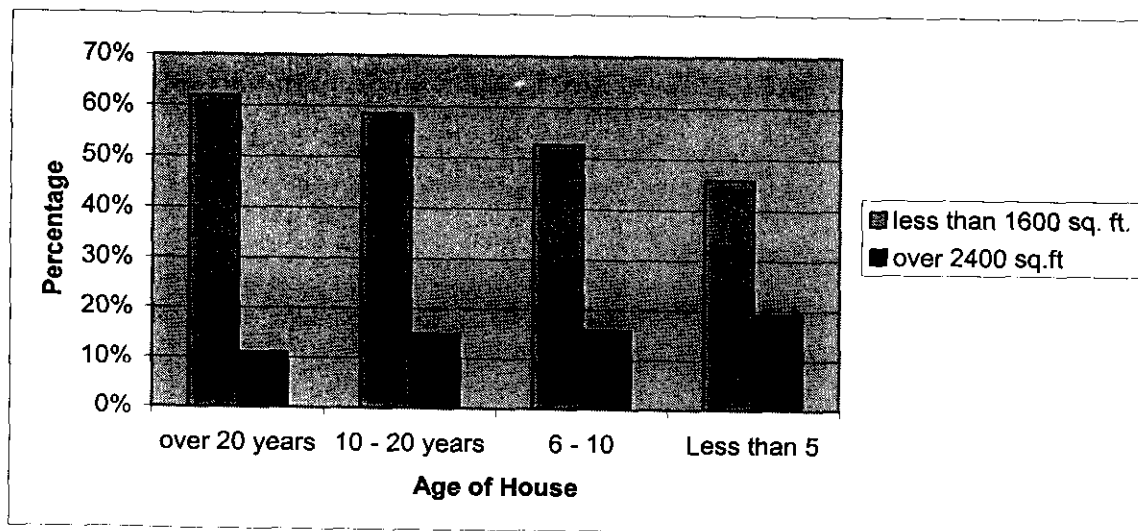
RESPONSE 1a. There are 2 primary factors contributing to the increase in historical average use per residential customer:

- 1.) Increasing electric heat and air conditioning saturations
- 2.) Increasing average house size.

According to the Member System End-Use Surveys, which are collected every 2 years, consumers continue to choose to install electric heat and electric air conditioning in their homes. The forecast is for saturation rates to grow, but at a slower rate.



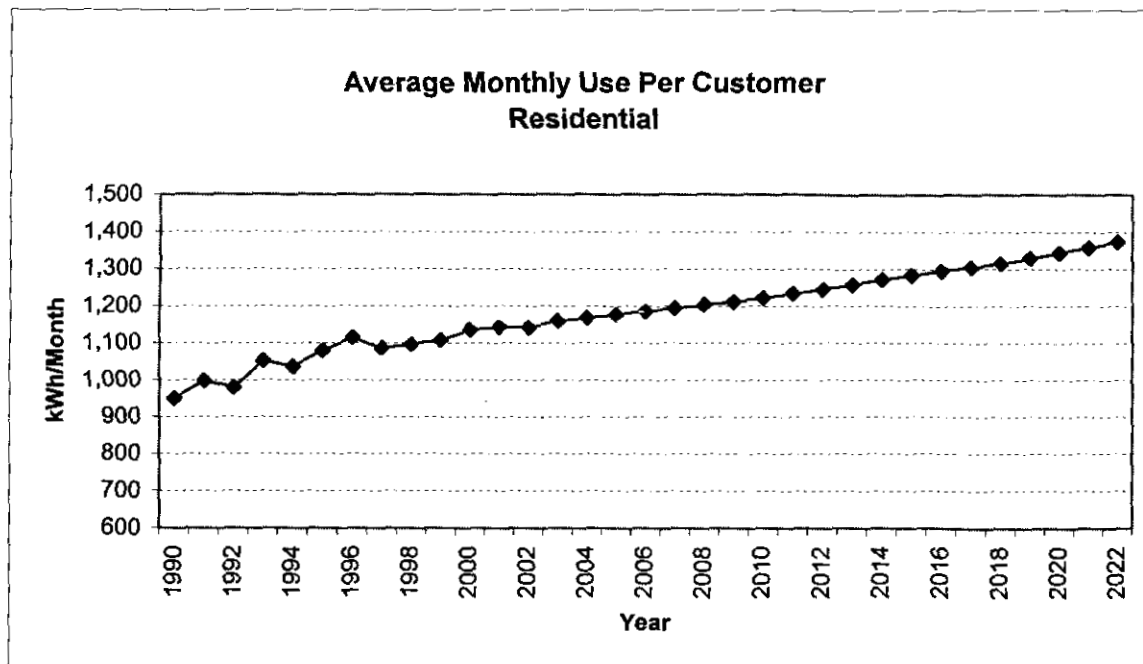
The second reason for the increase in average use per house is house size. The survey also indicates consumers are building larger homes, resulting in increased heating and cooling requirements and overall higher electricity use.



Appliance efficiencies are accounted for in the forecast model. Efficiency data is obtained from the Energy Information Administration Annual Outlook report. EK uses the East South Central region to represent Kentucky.

REQUEST 1b. Explain whether East Kentucky expects average residential usage to increase at a comparable rate for the foreseeable future.

RESPONSE 1b. Average monthly use per customer is projected to grow on average by 0.9% annually, lower than the 1982 – 2002 average of 1.6% per year.



EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2003-00051

IRP INFORMATION REQUEST RESPONSE

COMMISSION STAFF'S REQUEST DATED 7/9/03

REQUEST 2

RESPONSIBLE PARTY: Bob Hughes

REQUEST 2. Refer to the response to Item 8 of Staffs initial data request, which refers to East Kentucky's evaluations of reactivating the Spurlock Unit 2 scrubber, which are performed toward the end of or during the renewal period of its compliance sulfur fuel contracts.

REQUEST 2a. The most recent evaluation was performed in 2002. When does East Kentucky anticipate performing the next evaluations?

RESPONSE 2a. EKPC anticipates conducting another evaluation of reactivation of its scrubber at Spurlock Power Station in the spring of 2004.

REQUEST 2b. Provide the ending dates of East Kentucky's existing compliance sulfur fuel contracts. Explain whether East Kentucky expects to enter into a new series of such contracts prior to its next evaluation of reactivating the scrubber.

RESPONSE 2b. EKPC's existing compliance coal contracts and their expiration dates are provided below.

Pritchard Mining	07/31/2003
Laurel Creek Company	12/31/2003
Arch Coal Sales Company	04/30/2004

Appalachian Fuels	12/31/2004
Keystone Industries	12/31/2003
AEP Coal, Inc.	12/31/2003
Argus Energy, Inc.	12/31/2007

EKPC may enter into additional contracts for compliance coal based on EKPC's view of the market and supply availability, but current projections are that these additional contracts would not continue past 12/31/2006. Also, the contracts with Appalachian Fuels and Argus Energy contain language in which EKPC can cancel the contracts for compliance coal if EKPC reactivates its scrubber. The supplier may continue the supply contracts if the supplier has non-compliance coal and they can provide a competitive price to the prevailing market for higher sulfur coal. EKPC will continue to include this contract language in any of its future compliance coal contracts.

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PSC CASE NO. 2003-00051

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COMMISSION STAFF'S REQUEST DATED 7/9/03

REQUEST 3

RESPONSIBLE PARTY: David G. Eames

REQUEST 3. Refer to the response to Item 9 of Staffs initial data request, which discusses the status of activity under RFP2002-02 (issued in December 2002 for peaking power) and which refers to a report being developed for the related certificate filing. When does East Kentucky anticipate making the related certificate filing?

RESPONSE 3. EKPC anticipates making the related certificate filing in late July or early August.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2003-00051

IRP INFORMATION REQUEST RESPONSE

COMMISSION STAFF'S REQUEST DATED 7/9/03

REQUEST 4

RESPONSIBLE PARTY: Paul C. Atchison

REQUEST 4. In East Kentucky's Integrated Resource Plan, Section 4.0, page 43, reference is made to construction of the E.A. Gilbert Unit 3 at Spurlock Station ("Gilbert Unit") to be operational by the summer of 2005. East Kentucky's application for a certificate to construct the Gilbert Unit included the construction of transmission facilities which were ultimately withdrawn. In granting the certificate in Case No. 2001-00053,¹ the Commission directed East Kentucky to file a new application for approval of the proposed transmission facilities. Provide a detailed explanation of the status of East Kentucky's analysis of the needed transmission facilities and a timetable for filing an application for approval of the proposed transmission facilities.

RESPONSE 4. Upon separation of the transmission facilities from Case No. 2001-00053, EKPC pursued their proposed transmission outlet plan with the CCD Companies (Cincinnati Gas & Electric Company, Columbus Southern Power Company, Dayton Power & Light Company) in order to evaluate and establish a 345 kV tie across the Ohio River. After extensive evaluation and negotiation, the interconnection agreement was finalized as of May 21, 2003.

¹ Case No. 2001-00053, Application of East Kentucky Power Cooperative, Inc. For a Certificate of Public Convenience and Necessity, and a Certificate of Environmental Compatibility, For the Construction of a 250 MW Coal-Fired Generating Unit (With a Circulating Fluid Bed Boiler) at the Hugh L. Spurlock Power

When the technical issues regarding the 345 kV interconnection were basically resolved with CCD, EKPC worked in a joint planning effort with LGEE/KU to review the Kentucky transmission system and the effects of both the addition of Gilbert #3 and the CCD interconnection. Those issues have likewise been resolved, and a final plan has been agreed upon between the companies.

Stanley Consultants was hired by EKPC to perform the needed transmission planning studies associated with the Gilbert #3 Unit. The firm participated in all of the aforementioned collaborative analysis and negotiations and is currently finalizing the reports necessary to document the analysis and the justification of the proposed plan.

Upon completion of the final study report(s), EKPC plans to submit a new application for a certificate of convenience and necessity for the transmission facilities necessary for the Gilbert #3 Unit, as soon as possible. EKPC is attempting to arrange a visit by the consultant in August when a meeting with Commission staff might also be possible.